# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

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# FORM 8-K

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**CURRENT REPORT**
**Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **January 28, 2014 (January 23, 2014)**

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# BankUnited, Inc.
(Exact name of registrant as specified in its charter)

| **Delaware** | **001-35039** | **27-0162450** |
|---|---|---|
| (State of Incorporation) | (Commission File Number) | (I.R.S. Employer Identification No.) |

**14817 Oak Lane**
**Miami Lakes, FL 33016**
(Address of principal executive offices) (Zip Code)

**(305) 569-2000**
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 8.01 Other Events**

On January 23, 2014, BankUnited, Inc. (the "Company") reported its results for the quarter ended December 31, 2013.

For the quarter ended December 31, 2013, the Company reported net income of $52.4 million, or $0.50 per diluted share, as compared to $62.5 million, or $0.61 per diluted share, for the quarter ended December 31, 2012.

For the year ended December 31, 2013, the Company reported net income of $208.9 million, or $2.01 per diluted share, generating a return on average stockholders' equity of 11.16% and a return on average assets of 1.55%. The Company reported net income of $211.3 million, or $2.05 per diluted share, for the year ended December 31, 2012.

**Performance Highlights**

- New loans grew by $1.3 billion during the fourth quarter of 2013. For the year ended December 31, 2013, new loans increased by $3.9 billion to $7.6 billion.

- Total deposits increased by $684 million for the quarter ended December 31, 2013 to $10.5 billion, with demand deposits totaling $2.8 billion, or 27% of total deposits. For the year ended December 31, 2013, total deposits grew by $2.0 billion.

- The net interest margin, calculated on a tax-equivalent basis, was 5.24% for the quarter ended December 31, 2013 compared to 6.72% for the quarter ended December 31, 2012, and 5.73% compared to 6.05% for the years ended December 31, 2013 and 2012, respectively. The most significant factor impacting this expected trend in the net interest margin was the origination of new loans at yields lower than those on the covered loan portfolio. As discussed further below, the net interest margin for the quarter ended December 31, 2012 also benefited to a greater extent from the inclusion in interest income of proceeds from the sale of ACI loans from a pool that has a carrying value of zero.

- The cost of deposits continues to trend downward. The cost of deposits was 0.63% for the fourth quarter of 2013 as compared to 0.73% for the fourth quarter of 2012 and 0.65% for the year ended December 31, 2013 as compared to 0.81% for the year ended December 31, 2012. Excluding the impact of hedge accounting and accretion of fair value adjustments, the cost of deposits was 0.58% for the quarter ended December 31, 2013.

- Earnings for the quarter ended December 31, 2013 included net securities gains of approximately $2.3 million related to sales of certain securities in response to regulatory changes, as discussed further below. Additionally, earnings for the fourth quarter of 2013 benefited from a reduction in the effective income tax rate resulting from changes in certain state tax positions and apportionment factors.

- Book value and tangible book value per common share grew to $19.09 and $18.41, respectively, at December 31, 2013.

**Capital**

The Company and its banking subsidiary continue to exceed all regulatory guidelines required to be considered well capitalized. The Company's regulatory capital ratios at December 31, 2013 were as follows:

| | |
|---|---|
| Tier 1 leverage | 12.4% |
| Tier 1 risk-based capital | 21.1% |
| Total risk-based capital | 21.9% |



**Loans and Leases**

Loans, net of premiums, discounts and deferred fees and costs, increased to $9.1 billion at December 31, 2013 from $5.6 billion at December 31, 2012. New loans grew by $3.9 billion to $7.6 billion at December 31, 2013 from $3.7 billion at December 31, 2012. Covered loans declined to $1.5 billion at December 31, 2013 from $1.9 billion at December 31, 2012.

New loans, net of premiums, discounts and deferred fees and costs, grew by $1.3 billion in the fourth quarter of 2013. The New York franchise contributed $720 million to new loan growth for the quarter while the Florida franchise contributed $247 million and our national platforms contributed $347 million. We refer to our three commercial lending subsidiaries, our residential mortgage purchase program and our indirect auto platform as national platforms. At December 31, 2013, the new loan portfolio included $3.2 billion, $1.6 billion and $2.8 billion attributable to the Florida franchise, the New York franchise and our national platforms, respectively.

For the quarter ended December 31, 2013, new commercial loans, including commercial loans, commercial real estate loans and leases, grew $1.0 billion to $5.5 billion, reflecting the successful launch of lending operations in New York and continued growth in the portfolios of our Florida franchise and lending subsidiaries. New residential loans grew by $196 million to $1.8 billion during the fourth quarter of 2013, primarily as a result of the continuation of the Company's residential loan purchase program. For the year ended December 31, 2013, new commercial loans grew by $2.8 billion while new residential loans grew by $879 million and new consumer loans, comprised primarily of indirect auto loans, grew by $180 million.

A comparison of portfolio composition at December 31, 2013 and December 31, 2012 follows:

| | New Loans | | Total Loans | |
|---|---|---|---|---|
| | December 31, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 |
| Single family residential and home equity | 24.0% | 25.0% | 34.3% | 45.3% |
| Commercial real estate | 38.5% | 31.8% | 34.3% | 25.6% |
| Commercial | 34.7% | 42.3% | 29.0% | 28.5% |
| Consumer | 2.8% | 0.9% | 2.4% | 0.6% |
| | 100.0% | 100.0% | 100.0% | 100.0% |

The Company's portfolio of equipment under operating lease grew by $158 million and $11 million for the year and quarter ended December 31, 2013, respectively, to $196 million.

**Asset Quality**

Asset quality remained strong. Credit risk continues to be limited, though to a declining extent, by the Loss Sharing Agreements with the FDIC. At December 31, 2013, covered loans represented 16.4% of the total loan portfolio, as compared to 33.5% at December 31, 2012.

The ratio of non-performing new loans to total new loans was 0.31% at December 31, 2013 and 0.43% at December 31, 2012. The ratio of total non-performing loans to total loans was 0.39% at December 31, 2013 as compared to 0.62% at December 31, 2012. At December 31, 2013, non-performing assets totaled $76.2 million, including $40.6 million of other real estate owned ("OREO"), as compared to $110.6 million, including $76.0 million of OREO, at December 31, 2012. At December 31, 2013, 68% of total non-performing assets were covered assets.

For the quarters ended December 31, 2013 and 2012, the Company recorded provisions for loan losses of $12.5 million and $1.0 million, respectively. Of these amounts, $(0.8) million and $(1.6) million, respectively, related to recoveries of loan losses on covered loans, and $13.3 million and $2.7 million, respectively, related to provisions for new loans.

For the years ended December 31, 2013 and 2012, the Company recorded provisions for loan losses of $32.0 million and $18.9 million, respectively. Of these amounts, $(1.7) million and $(0.5) million, respectively, related to recoveries of loan losses on covered loans, and $33.7 million and $19.4 million, respectively, related to provisions for new loans.

The provisions related to new loans reflect growth in the new loan portfolio offset in part by reductions in general loss factors. For the year ended December 31, 2013, the provision for new loans was also impacted by specific reserves recognized on impaired loans, particularly related to one commercial relationship.

The recoveries of loan losses related to covered loans were significantly mitigated by offsetting decreases in non-interest income recorded in "Net gain (loss) on indemnification asset."

The following tables summarize the activity in the allowance for loan and lease losses for the quarter and year ended December 31, 2013 and 2012 (in thousands):

| | Three Months Ended December 31, 2013 | | | | Three Months Ended December 31, 2012 | | | |
|---|---|---|---|---|---|---|---|---|
| | ACI Loans | Non-ACI Loans | New Loans | Total | ACI Loans | Non-ACI Loans | New Loans | Total |
| Balance at beginning of period | $ 3,345 | $ 10,743 | $ 45,531 | $ 59,619 | $ 9,922 | $ 10,865 | $ 39,629 | $ 60,416 |
| Provision | (452) | (299) | 13,263 | 12,512 | (698) | (942) | 2,670 | 1,030 |
| Charge-offs | — | (1,083) | (1,644) | (2,727) | (1,205) | (519) | (1,235) | (2,959) |
| Recoveries | — | 140 | 181 | 321 | — | 470 | 164 | 634 |
| Balance at end of period | $ 2,893 | $ 9,501 | $ 57,331 | $ 69,725 | $ 8,019 | $ 9,874 | $ 41,228 | $ 59,121 |

| | Year Ended December 31, 2013 | | | | Year Ended December 31, 2012 | | | |
|---|---|---|---|---|---|---|---|---|
| | ACI Loans | Non-ACI Loans | New Loans | Total | ACI Loans | Non-ACI Loans | New Loans | Total |
| Balance at beginning of period | $ 8,019 | $ 9,874 | $ 41,228 | $ 59,121 | $ 16,332 | $ 7,742 | $ 24,328 | $ 48,402 |
| Provision | (2,892) | 1,153 | 33,703 | 31,964 | (4,347) | 3,844 | 19,399 | 18,896 |
| Charge-offs | (2,234) | (4,306) | (18,481) | (25,021) | (3,966) | (3,591) | (2,929) | (10,486) |
| Recoveries | — | 2,780 | 881 | 3,661 | — | 1,879 | 430 | 2,309 |
| Balance at end of period | $ 2,893 | $ 9,501 | $ 57,331 | $ 69,725 | $ 8,019 | $ 9,874 | $ 41,228 | $ 59,121 |

**Deposits**

At December 31, 2013, deposits totaled $10.5 billion compared to $8.5 billion at December 31, 2012. Demand deposits, including non-interest bearing and interest bearing deposits, comprised 27% of total deposits at December 31, 2013, compared to 22% of total deposits at December 31, 2012. The average cost of deposits was 0.63% for the quarter ended December 31, 2013 as compared to 0.73% for the quarter ended December 31, 2012 and 0.65% for the year ended December 31, 2013 as compared to 0.81% for the year ended December 31, 2012. The decrease in the average cost of deposits was attributable to both the growth in non-interest bearing deposits as a percentage of average total deposits and a decline in market rates of interest. Excluding the impact of hedge accounting and accretion of fair value adjustments, the average cost of deposits was 0.60% for the year ended December 31, 2013.

**Net interest income**

Net interest income for the quarter ended December 31, 2013 decreased to $164.3 million from $174.6 million for the quarter ended December 31, 2012. Net interest income for the year ended December 31, 2013 was $646.2 million as compared to $597.6 million for the year ended December 31, 2012. Trends in the amount of net interest income were impacted by proceeds, which were recorded in interest income, from the sale of loans from a pool of ACI loans carried at zero. Interest income included $11.7 million and $50.6 million of such proceeds, respectively, for the quarter and year ended December 31, 2013 compared to $29.9 million for both the quarter and year ended December 31, 2012. In 2012, all sales of covered loans took place in the fourth quarter. The impact of sales of loans from this pool is expected to decrease in the future.



The Company's net interest margin, calculated on a tax-equivalent basis, was 5.24% for the quarter ended December 31, 2013 as compared to 6.72% for the quarter ended December 31, 2012. Net interest margin, calculated on a tax-equivalent basis, was 5.73% for the year ended December 31, 2013 as compared to 6.05% for the year ended December 31, 2012. Significant factors impacting this expected trend in net interest margin for the quarter and year ended December 31, 2013 included:

- The tax-equivalent yield on loans declined to 7.80% from 12.73% and to 9.18% from 12.05%, respectively, for the quarter and year ended December 31, 2013 compared to the quarter and year ended December 31, 2012, primarily because new loans, originated at yields lower than those on the covered loan portfolio, comprised a greater percentage of total loans. The decline in the fourth quarter of 2013 compared to 2012 was also impacted by loan sale activity related to the pool of ACI loans with a carrying value of zero, as discussed above.

- The yield on new loans decreased to 3.61% and 3.77%, respectively, for the quarter and year ended December 31, 2013 from 4.12% and 4.34% for the quarter and year ended December 31, 2012, primarily reflecting the impact of lower market interest rates on new production.

- The yield on covered loans for the quarter ended December 31, 2013 decreased to 26.77% from 27.93% for the quarter ended December 31, 2012 while the yield on covered loans for the year ended December 31, 2013 increased to 26.13% from 21.80% for the year ended December 31, 2012. These changes in yields on covered loans reflected (i) improvements in expected cash flows and corresponding transfers from non-accretable difference to accretable yield and (ii) changes in the timing and amount of interest income recognized in connection with the sale of ACI residential loans from the pool with a carrying value of zero, which accounted for a 3.10% decline in the quarterly yield and a 1.68% increase in the annual yield.

- The average rate on interest bearing liabilities declined to 0.91% and 0.94%, respectively, for the quarter and year ended December 31, 2013 from 1.17% and 1.33% for the quarter and year ended December 31, 2012, primarily due to declining market interest rates.

- Non-interest bearing deposits comprised a greater percentage of average total deposits for the quarter and year ended December 31, 2013 than for the quarter and year ended December 31, 2012. Average non-interest bearing deposits were 19% and 17%, respectively, of average total deposits for the quarter and year ended December 31, 2013 as compared to 15% and 13%, respectively, of average total deposits for the quarter and year ended December 31, 2012.

As anticipated, the net interest margin for the quarter ended December 31, 2013 declined by 0.46% in comparison to the immediately preceding quarter, largely due to a decline in the average yield on loans. This decline resulted primarily from continued growth of new loans as a percentage of the total loan portfolio. The cost of interest bearing liabilities remained relatively stable quarter over quarter.

The Company's net interest margin continues to be impacted by reclassifications from non-accretable difference to accretable yield on ACI loans. Non-accretable difference at acquisition represented the difference between the total contractual payments due and the cash flows expected to be received on these loans. The accretable yield on ACI loans represented the amount by which undiscounted expected future cash flows exceeded the carrying value of the loans. As the Company's expected cash flows from ACI loans have increased since the FSB Acquisition (as defined below), the Company has reclassified amounts from non-accretable difference to accretable yield.

Changes in accretable yield on ACI loans for the years ended December 31, 2013 and 2012 were as follows (in thousands):



| | | |
|---|---|---|
| Balance, December 31, 2011 | $ | 1,523,615 |
| Reclassifications from non-accretable difference | | 206,934 |
| Accretion | | (444,483) |
| Balance, December 31, 2012 | | 1,286,066 |
| Reclassifications from non-accretable difference | | 282,952 |
| Accretion | | (410,446) |
| Balance, December 31, 2013 | $ | 1,158,572 |

**Non-interest income**

Non-interest income totaled $5.9 million and $31.1 million for the quarter and year ended December 31, 2013 as compared to $5.5 million and $89.2 million for the quarter and year ended December 31, 2012.

As anticipated, in 2013, the Company began amortizing the FDIC indemnification asset. In prior periods, we recorded accretion of discount on the FDIC indemnification asset. Non-interest income included amortization of the FDIC indemnification asset of $(15.2) million and $(36.9) million, respectively, for the quarter and year ended December 31, 2013 compared to accretion of $0.8 million and $15.3 million, respectively, for the quarter and year ended December 31, 2012. As the expected cash flows from ACI loans have increased, resulting in an increased yield on ACI loans as discussed above, expected cash flows from the FDIC indemnification asset have decreased, resulting in a declining, and ultimately negative, yield on the FDIC indemnification asset.

The consolidated statement of income line items Provision for (recovery of) losses on covered loans, Income from resolution of covered assets, net, Loss on sale of covered loans, Loss on covered investment securities, Impairment of other real estate owned and Gain on sale of other real estate owned relate to transactions in the covered assets. The line item Net gain (loss) on indemnification asset represents the mitigating impact of FDIC indemnification on gains and losses arising from these transactions in the covered assets. The impact on pre-tax earnings of these transactions, net of FDIC indemnification, for the quarter and year ended December 31, 2013 was $6.0 million and $20.4 million, respectively, compared to $5.0 million and $10.5 million, respectively, for the quarter and year ended December 31, 2012.

Income from resolution of covered assets, net was $14.5 million and $78.9 million, respectively, for the quarter and year ended December 31, 2013 compared to $11.4 million and $51.0 million for the quarter and year ended December 31, 2012. These increases in income resulted mainly from higher income from commercial recoveries and lower losses from residential foreclosure resolutions.

Loss on the sale of covered loans was $6.8 million and $16.2 million, respectively, for the quarter and year ended December 31, 2013, compared to $29.3 million for each of the quarter and year ended December 31, 2012. The decline in losses for the year ended December 31, 2013 as compared to 2012 was primarily a result of improved pricing. As discussed above, the Company sold covered loans quarterly in 2013, but only in the fourth quarter of 2012.

Net gain (loss) on indemnification asset was $(2.9) million and $(50.6) million, respectively, for the quarter and year ended December 31, 2013, compared to $20.6 million and $(6.0) million for the quarter and year ended December 31, 2012. Variances in net gain (loss) on indemnification asset are directly related to variances in income from resolution of covered assets, net, the loss on sale of covered loans, the loss on covered investment securities, the provision for (recovery of) losses on covered loans, OREO impairment and gains on the sale of OREO.

Securities gains for the year ended December 31, 2013 related primarily to sales of securities to fund loan originations. Gains on investment securities available for sale for the quarter ended December 31, 2013 included $2.3 million in net gains related to the liquidation of our positions in collateralized loan obligations and certain re-securitized real estate mortgage investment conduits in response to the release of the Volcker Rule. Securities gains for 2013 also included $1.6 million related to the sale of securities in conjunction with the merger of Herald National Bank into BankUnited.

During the fourth quarter of 2012, we sold investment securities, utilizing the proceeds to extinguish Federal Home Loan Bank ("FHLB") advances and terminate a related cash flow hedge, with a combined cost of borrowing of 3.46%. We realized a pre-tax gain on the sale of securities of $10.0 million and a combined pre-tax loss of $22.9

million on the extinguishment of the advances and termination of the hedge. Securities gains for 2012 also included approximately $6.4 million of aggregate realized gains from the sale of certain preferred stock positions.

Declines in FDIC reimbursement of costs of resolution of covered assets and mortgage insurance income from 2012 to 2013 reflect the lower volume of covered loan foreclosure resolution activity.

**Non-interest expense**

Non-interest expense totaled $84.2 million and $327.4 million, respectively, for the quarter and year ended December 31, 2013 as compared to $78.7 million and $323.1 million for the quarter and year ended December 31, 2012.

Employee compensation and benefits for the year ended December 31, 2013 as compared to the year ended December 31, 2012 reflected a decrease of $10.0 million in equity-based compensation resulting primarily from the vesting in 2012 of instruments issued in conjunction with the Company's initial public offering of common stock in 2011. Increased compensation costs related to the Company's growth and expansion into New York offset this decrease in equity-based compensation and drove an increase in employee compensation and benefits of $2.8 million for the quarter ended December 31, 2013 as compared to the quarter ended December 31, 2012.

Occupancy and equipment expense increased to $16.8 million and $63.8 million, respectively, for the quarter and year ended December 31, 2013 from $15.7 million and $54.5 million for the quarter and year ended December 31, 2012 due primarily to our expansion into New York and the growth and refurbishment of our branch network in Florida.

For the quarter and year ended December 31, 2013, foreclosure and OREO expense was $3.0 million and $10.4 million, respectively, as compared to $5.4 million and $20.3 million for the quarter and year ended December 31, 2012. For the quarter and year ended December 31, 2013, the net amount of (gain) loss on sale of OREO and impairment of OREO was $(0.5) million and $(7.6) million, respectively, as compared to $(0.7) million and $5.8 million for the quarter and year ended December 31, 2012. These changes reflect continuing trends of lower levels of OREO and foreclosure activity and an improving real estate market.

**Provision for income taxes**

The effective income tax rate decreased to 29% and 34%, respectively, for the quarter and year ended December 31, 2013 from 38% and 39% for the quarter and year ended December 31, 2012. These decreases reflect the impact of changes in certain state tax positions and apportionment factors in the fourth quarter of 2013 and the release of reserves for uncertain state income tax positions as a result of the lapse in the statute of limitations related thereto in the third quarter of 2013.

**About BankUnited, Inc. and the FSB Acquisition**

BankUnited, Inc. is the bank holding company of BankUnited, N.A., a national bank headquartered in Miami Lakes, Florida with $14.9 billion of assets, 99 branches in 15 Florida counties and 6 banking centers in the New York metropolitan area at December 31, 2013.



The Company was organized by a management team led by its Chairman, President and Chief Executive Officer, John A. Kanas in 2009. On May 21, 2009, BankUnited acquired substantially all of the assets and assumed all of the non-brokered deposits and substantially all other liabilities of BankUnited, FSB from the FDIC, in a transaction referred to as the FSB Acquisition. Concurrently with the FSB Acquisition, BankUnited entered into two loss sharing agreements, or the Loss Sharing Agreements, which covered certain legacy assets, including the entire legacy loan portfolio and OREO, and certain purchased investment securities. Assets covered by the Loss Sharing Agreements are referred to as "covered assets" (or, in certain cases, "covered loans"). The Loss Sharing Agreements do not apply to subsequently purchased or originated loans ("new loans") or other assets. Pursuant to the terms of the Loss Sharing Agreements, the covered assets are subject to a stated loss threshold whereby the FDIC will reimburse BankUnited for 80% of losses, including certain interest and expenses, up to the $4.0 billion stated threshold and 95% of losses in excess of the $4.0 billion stated threshold. The Company's current estimate of cumulative losses on the covered assets is approximately $4.3 billion. The Company has received $2.5 billion from the FDIC in reimbursements under the Loss Sharing Agreements for claims filed for incurred losses as of December 31, 2013.

**Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect the Company's current views with respect to, among other things, future events and financial performance. The Company generally identifies forward-looking statements by terminology such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "could," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of those words or other comparable words. Any forward-looking statements contained in this press release are based on the historical performance of the Company and its subsidiaries or on the Company's current plans, estimates and expectations. The inclusion of this forward-looking information should not be regarded as a representation by the Company that the future plans, estimates or expectations contemplated by the Company will be achieved. Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to the Company's operations, financial results, financial condition, business prospects, growth strategy and liquidity. If one or more of these or other risks or uncertainties materialize, or if the Company's underlying assumptions prove to be incorrect, the Company's actual results may vary materially from those indicated in these statements. These factors should not be construed as exhaustive. The Company does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements. Information on these factors can be found in the Company's Annual Report on Form 10-K for the year ended December 31, 2012 available at the SEC's website (www.sec.gov).



**BANKUNITED, INC. AND SUBSIDIARIES**

## CONSOLIDATED BALANCE SHEETS - UNAUDITED
(In thousands, except share and per share data)

| | December 31, 2013 | December 31, 2012 |
|---|---|---|
| **ASSETS** | | |
| Cash and due from banks: | | |
| Non-interest bearing | $ 45,976 | $ 61,088 |
| Interest bearing | 14,590 | 21,507 |
| Interest bearing deposits at Federal Reserve Bank | 190,075 | 408,827 |
| Federal funds sold | 2,108 | 3,931 |
| Cash and cash equivalents | 252,749 | 495,353 |
| Investment securities available for sale, at fair value (including covered securities of $205,769 and $226,505) | 3,637,124 | 4,172,412 |
| Non-marketable equity securities | 152,066 | 133,060 |
| Loans held for sale | 194 | 2,129 |
| Loans (including covered loans of $1,483,888 and $1,864,375) | 9,053,609 | 5,571,739 |
| Allowance for loan and lease losses | (69,725) | (59,121) |
| Loans, net | 8,983,884 | 5,512,618 |
| FDIC indemnification asset | 1,205,117 | 1,457,570 |
| Bank owned life insurance | 206,759 | 207,069 |
| Other real estate owned (including covered OREO of $39,672 and $76,022) | 40,570 | 76,022 |
| Deferred tax asset, net | 70,626 | 62,274 |
| Goodwill and other intangible assets | 69,067 | 69,768 |
| Other assets | 428,493 | 187,678 |
| Total assets | $ 15,046,649 | $ 12,375,953 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| **Liabilities:** | | |
| Demand deposits: | | |
| Non-interest bearing | $ 2,171,335 | $ 1,312,779 |
| Interest bearing | 676,079 | 542,561 |
| Savings and money market | 4,402,987 | 4,042,022 |
| Time | 3,282,027 | 2,640,711 |
| Total deposits | 10,532,428 | 8,538,073 |
| Federal Home Loan Bank advances and other borrowings | 2,414,313 | 1,925,094 |
| Other liabilities | 171,210 | 106,106 |
| Total liabilities | 13,117,951 | 10,569,273 |
| **Commitments and contingencies** | | |
| **Stockholders' equity:** | | |
| Common stock, par value $0.01 per share, 400,000,000 shares authorized; 101,013,014 and 95,006,729 shares issued and outstanding | 1,010 | 950 |
| Preferred stock, par value $0.01 per share, 100,000,000 shares authorized; 5,415,794 shares of Series A issued and outstanding at December 31, 2012 | — | 54 |
| Paid-in capital | 1,334,945 | 1,308,315 |
| Retained earnings | 535,263 | 413,385 |
| Accumulated other comprehensive income | 57,480 | 83,976 |
| Total stockholders' equity | 1,928,698 | 1,806,680 |
| Total liabilities and stockholders' equity | $ 15,046,649 | $ 12,375,953 |



## BANKUNITED, INC. AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF INCOME - UNAUDITED
(In thousands, except per share data)

| | Three Months Ended December 31, | | Years Ended December 31, | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| **Interest income:** | | | | |
| Loans | $ 160,761 | $ 168,770 | $ 618,944 | $ 584,727 |
| Investment securities available for sale | 26,341 | 31,951 | 114,535 | 131,198 |
| Other | 1,562 | 1,625 | 5,342 | 4,931 |
| Total interest income | 188,664 | 202,346 | 738,821 | 720,856 |
| **Interest expense:** | | | | |
| Deposits | 16,279 | 15,712 | 60,566 | 66,178 |
| Borrowings | 8,130 | 12,070 | 32,045 | 57,091 |
| Total interest expense | 24,409 | 27,782 | 92,611 | 123,269 |
| Net interest income before provision for (recovery of) loan losses | 164,255 | 174,564 | 646,210 | 597,587 |
| Provision for (recovery of) loan losses (including $(750), | 12,512 | 1,030 | 31,964 | 18,896 |

| | | | | |
|---|---|---|---|---|
| $(1,640), $(1,738) and $(503) for covered loans) | | | | |
| Net interest income after provision for (recovery of) loan losses | 151,743 | 173,534 | 614,246 | 578,691 |
| **Non-interest income:** | | | | |
| (Amortization) accretion of FDIC indemnification asset | (15,159) | 793 | (36,943) | 15,306 |
| Income from resolution of covered assets, net | 14,500 | 11,414 | 78,862 | 51,016 |
| Net gain (loss) on indemnification asset | (2,891) | 20,572 | (50,638) | (6,030) |
| FDIC reimbursement of costs of resolution of covered assets | 2,232 | 6,154 | 9,397 | 19,569 |
| Service charges and fees | 3,914 | 3,276 | 14,255 | 12,716 |
| Loss on sale of loans, net (including loss related to covered loans of $6,827, $29,333, $16,195 and $29,270) | (6,728) | (29,355) | (15,469) | (28,657) |
| Gain on investment securities available for sale, net (including loss related to covered securities of $(963) for the year ended December 31, 2013) | 2,341 | 10,108 | 8,629 | 17,039 |
| Loss on extinguishment of debt | — | (14,175) | — | (14,175) |
| Loss on termination of interest rate swap | — | (8,701) | — | (8,701) |
| Mortgage insurance income | 849 | 862 | 2,061 | 9,772 |
| Other non-interest income | 6,792 | 4,551 | 20,952 | 21,392 |
| Total non-interest income | 5,850 | 5,499 | 31,106 | 89,247 |
| **Non-interest expense:** | | | | |
| Employee compensation and benefits | 43,544 | 40,717 | 173,763 | 173,261 |
| Occupancy and equipment | 16,772 | 15,689 | 63,766 | 54,465 |
| Impairment of other real estate owned | 483 | 1,946 | 1,939 | 9,926 |
| Gain on sale of other real estate owned | (992) | (2,665) | (9,568) | (4,164) |
| Foreclosure and other real estate owned expense | 3,010 | 5,404 | 10,442 | 20,268 |
| Deposit insurance expense | 2,061 | 2,112 | 7,648 | 7,248 |
| Professional fees | 4,722 | 4,016 | 21,934 | 15,468 |
| Telecommunications and data processing | 3,340 | 2,732 | 13,034 | 12,462 |
| Other non-interest expense | 11,264 | 8,751 | 44,392 | 34,139 |
| Total non-interest expense | 84,204 | 78,702 | 327,350 | 323,073 |
| Income before income taxes | 73,389 | 100,331 | 318,002 | 344,865 |
| Provision for income taxes | 20,996 | 37,829 | 109,066 | 133,605 |
| Net income | 52,393 | 62,502 | 208,936 | 211,260 |
| Preferred stock dividends | — | 1,137 | — | 3,899 |
| Net income available to common stockholders | $ 52,393 | $ 61,365 | $ 208,936 | $ 207,361 |
| Earnings per common share, basic | $ 0.50 | $ 0.61 | $ 2.03 | $ 2.05 |
| Earnings per common share, diluted | $ 0.50 | $ 0.61 | $ 2.01 | $ 2.05 |
| Cash dividends declared per common share | $ 0.21 | $ 0.21 | $ 0.84 | $ 0.72 |



**BANKUNITED, INC. AND SUBSIDIARIES**
**AVERAGE BALANCES AND YIELDS**
(Dollars in thousands)

| | Three Months Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2013 | | | 2012 | | |
| | Average Balance | Interest (1) | Yield/ Rate (2) | Average Balance | Interest (1) | Yield/ Rate (2) |
| **Assets:** | | | | | | |
| **Interest earning assets:** | | | | | | |
| Loans | $ 8,320,870 | $ 162,804 | 7.80% | $ 5,334,961 | $ 170,114 | 12.73% |
| Investment securities available for sale | 3,809,501 | 26,961 | 2.83% | 4,698,454 | 32,704 | 2.78% |
| Other interest earning assets | 585,414 | 1,562 | 1.06% | 481,299 | 1,625 | 1.35% |
| Total interest earning assets | 12,715,785 | 191,327 | 6.00% | 10,514,714 | 204,443 | 7.77% |
| Allowance for loan and lease losses | (63,020) | | | (62,189) | | |
| Non-interest earning assets | 2,050,776 | | | 2,323,689 | | |
| Total assets | $ 14,703,541 | | | $ 12,776,214 | | |
| **Liabilities and Stockholders' Equity:** | | | | | | |
| **Interest bearing liabilities:** | | | | | | |
| Interest bearing demand deposits | $ 642,935 | 753 | 0.46% | $ 535,240 | 749 | 0.56% |
| Savings and money market deposits | 4,494,773 | 5,444 | 0.48% | 4,038,706 | 5,303 | 0.52% |
| Time deposits | 3,171,318 | 10,082 | 1.26% | 2,664,771 | 9,660 | 1.44% |
| Total interest bearing deposits | 8,309,026 | 16,279 | 0.78% | 7,238,717 | 15,712 | 0.86% |
| FHLB advances and other borrowings | 2,292,375 | 8,130 | 1.41% | 2,228,117 | 12,070 | 2.16% |
| Total interest bearing liabilities | 10,601,401 | 24,409 | 0.91% | 9,466,834 | 27,782 | 1.17% |
| Non-interest bearing demand deposits | 1,963,335 | | | 1,276,043 | | |
| Other non-interest bearing liabilities | 221,152 | | | 231,276 | | |
| Total liabilities | 12,785,888 | | | 10,974,153 | | |
| Stockholders' equity | 1,917,653 | | | 1,802,061 | | |
| Total liabilities and stockholders' equity | $ 14,703,541 | | | $ 12,776,214 | | |
| Net interest income | | $ 166,918 | | | $ 176,661 | |
| Interest rate spread | | | 5.09% | | | 6.60% |

| | | |
|---|---|---|
| Net interest margin | 5.24% | 6.72% |

(1) On a tax-equivalent basis where applicable
(2) Annualized



## BANKUNITED, INC. AND SUBSIDIARIES
## AVERAGE BALANCES AND YIELDS
(Dollars in thousands)

| | Years Ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2013 | | | 2012 | | |
| | Average Balance | Interest (1) | Yield/ Rate | Average Balance | Interest (1) | Yield/ Rate |
| **Assets:** | | | | | | |
| **Interest earning assets:** | | | | | | |
| Loans | $ 6,817,786 | $ 625,948 | 9.18% | $ 4,887,209 | $ 588,950 | 12.05% |
| Investment securities available for sale | 4,135,407 | 117,289 | 2.84% | 4,611,379 | 135,833 | 2.95% |
| Other interest earning assets | 500,306 | 5,342 | 1.07% | 522,184 | 4,931 | 0.94% |
| Total interest earning assets | 11,453,499 | 748,579 | 6.54% | 10,020,772 | 729,714 | 7.28% |
| Allowance for loan and lease losses | (62,461) | | | (56,463) | | |
| Non-interest earning assets | 2,057,923 | | | 2,387,719 | | |
| Total assets | $ 13,448,961 | | | $ 12,352,028 | | |
| **Liabilities and Stockholders' Equity:** | | | | | | |
| **Interest bearing liabilities:** | | | | | | |
| Interest bearing demand deposits | $ 582,623 | 2,698 | 0.46% | $ 504,614 | 3,155 | 0.63% |
| Savings and money market deposits | 4,280,531 | 20,620 | 0.48% | 3,912,444 | 24,093 | 0.62% |
| Time deposits | 2,844,377 | 37,248 | 1.31% | 2,632,451 | 38,930 | 1.48% |
| Total interest bearing deposits | 7,707,531 | 60,566 | 0.79% | 7,049,509 | 66,178 | 0.94% |
| FHLB advances and other borrowings | 2,098,231 | 32,045 | 1.53% | 2,240,345 | 57,091 | 2.55% |
| Total interest bearing liabilities | 9,805,762 | 92,611 | 0.94% | 9,289,854 | 123,269 | 1.33% |
| Non-interest bearing demand deposits | 1,586,007 | | | 1,099,448 | | |
| Other non-interest bearing liabilities | 184,645 | | | 265,399 | | |
| Total liabilities | 11,576,414 | | | 10,654,701 | | |
| Stockholders' equity | 1,872,547 | | | 1,697,327 | | |
| Total liabilities and stockholders' equity | $ 13,448,961 | | | $ 12,352,028 | | |
| Net interest income | | $ 655,968 | | | $ 606,445 | |
| Interest rate spread | | | 5.60% | | | 5.95% |
| Net interest margin | | | 5.73% | | | 6.05% |

(1) On a tax-equivalent basis where applicable



## BANKUNITED, INC. AND SUBSIDIARIES
## EARNINGS PER COMMON SHARE
(In thousands except share amounts)

| | Three Months Ended December 31, | | Years Ended December 31, | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| **Basic earnings per common share:** | | | | |
| **Numerator:** | | | | |
| Net income | $ 52,393 | $ 62,502 | $ 208,936 | $ 211,260 |
| Preferred stock dividends | — | (1,137) | — | (3,899) |
| Net income available to common stockholders | 52,393 | 61,365 | 208,936 | 207,361 |
| Distributed and undistributed earnings allocated to participating securities | (1,957) | (4,608) | (9,380) | (15,081) |
| Income allocated to common stockholders for basic earnings per common share | $ 50,436 | $ 56,757 | $ 199,556 | $ 192,280 |
| **Denominator:** | | | | |
| Weighted average common shares outstanding | 100,942,859 | 94,597,067 | 99,587,970 | 94,791,484 |
| Less average unvested stock awards | (1,021,034) | (997,655) | (1,093,930) | (1,137,210) |
| Weighted average shares for basic earnings per common share | 99,921,825 | 93,599,412 | 98,494,040 | 93,654,274 |
| **Basic earnings per common share** | $ 0.50 | $ 0.61 | $ 2.03 | $ 2.05 |
| **Diluted earnings per common share:** | | | | |
| **Numerator:** | | | | |
| Income allocated to common stockholders for basic earnings per common share | $ 50,436 | $ 56,757 | $ 199,556 | 192,280 |

| | | | | |
|---|---|---|---|---|
| Adjustment for earnings reallocated from participating securities | 3 | 6 | 1,265 | 20 |
| Income used in calculating diluted earnings per common share | $ 50,439 | $ 56,763 | $ 200,821 | $ 192,300 |
| **Denominator:** | | | | |
| Average shares for basic earnings per common share | 99,921,825 | 93,599,412 | 98,494,040 | 93,654,274 |
| Dilutive effect of stock options and preferred shares | 177,951 | 162,880 | 1,257,565 | 174,509 |
| Weighted average shares for diluted earnings per common share | 100,099,776 | 93,762,292 | 99,751,605 | 93,828,783 |
| **Diluted earnings per common share** | $ 0.50 | $ 0.61 | $ 2.01 | $ 2.05 |



**BANKUNITED, INC. AND SUBSIDIARIES**
**SELECTED RATIOS**

| | Three Months Ended December 31, | | Years Ended December 31, | |
|---|---|---|---|---|
| | 2013 (4) | 2012 (4) | 2013 | 2012 |
| **Financial ratios** | | | | |
| Return on average assets | 1.41% | 1.95% | 1.55% | 1.71% |
| Return on average stockholders' equity | 10.84% | 13.80% | 11.16% | 12.45% |
| Net interest margin (5) | 5.24% | 6.72% | 5.73% | 6.05% |

| | December 31, 2013 | December 31, 2012 |
|---|---|---|
| **Capital ratios** | | |
| Tier 1 leverage | 12.42% | 13.16% |
| Tier 1 risk-based capital | 21.06% | 33.60% |
| Total risk-based capital | 21.93% | 34.88% |

| | December 31, 2013 | | December 31, 2012 | |
|---|---|---|---|---|
| | Non-Covered | Total | Non-Covered | Total |
| **Asset quality ratios** | | | | |
| Non-performing loans to total loans (1) (3) | 0.31% | 0.39% | 0.43% | 0.62% |
| Non-performing assets to total assets (2) | 0.16% | 0.51% | 0.13% | 0.89% |
| Allowance for loan and lease losses to total loans (3) | 0.76% | 0.77% | 1.11% | 1.06% |
| Allowance for loan and lease losses to non-performing loans (1) | 246.73% | 195.52% | 256.65% | 171.21% |
| Net charge-offs to average loans (4) | 0.34% | 0.31% | 0.09% | 0.17% |

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(1) We define non-performing loans to include nonaccrual loans, loans, other than ACI loans, that are past due 90 days or more and still accruing and certain loans modified in troubled debt restructurings. Contractually delinquent ACI loans on which interest continues to be accreted are excluded from non-performing loans.

(2) Non-performing assets include non-performing loans and other real estate owned.

(3) Total loans is net of unearned discounts, premiums and deferred fees and costs.

(4) Annualized.

(5) On a tax-equivalent basis.



**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: January 28, 2014

BANKUNITED, INC.

/s/ Leslie Lunak
Name: Leslie Lunak
Title: Chief Financial Officer